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Greater gas price transparency an urgent priority.

The DomGas Alliance has supported a call by the Australian Competition and Consumer Commission for greater price and reserves transparency in gas markets.

The ACCC has held an extensive inquiry into Australia's East Coast gas market highlighting the challenges faced by domestic industry to secure Australian gas at competitive prices.

The ACCC report found the advent of LNG exports had seen domestic users face "an unprecedented change in their ability to obtain gas" and that;

"When seeking gas they received few, if any, real offers. Offers received were high priced, with limited volumes over shorter periods of time, had more restrictive terms and conditions and some were on 'take it or leave it' terms."

The ACCC noted that while availability may have subsequently improved, gas was being offered "at higher prices, for shorter durations and with more restrictive non-price terms and conditions."

DomGas Alliance Executive Director Matt Brown said many of the report's findings would ring true with West Coast domestic gas users.

"When you break it down to its fundamentals, the ACCC report is another warning that Australia's approach to energy policy is not working to the benefit of domestic industries which employ tens of thousands of Australians," Mr Brown said.

"The ACCC has highlighted that some producers have used the advent of LNG exports to increase domestic prices, shorten contract terms, and implement more restrictive non-price terms and conditions.

"The report also confirms that gas is being taken from sources which previously supplied the domestic market and instead directed to the LNG export market.

"The ACCC's states clearly that despite the much-vaunted boom in CSG investment in Queensland, gas supply for the East Coast market 'remains uncertain to 2025 and beyond'.

"How can a nation with such a wealth of natural gas resources face an uncertain supply for its own domestic industries?

"Surely this report must prompt a re-think of our national energy policy and a re-balancing of priorities to ensure Australian industry and Australian jobs are considered."

Mr Brown said the ACCC's findings about a lack of transparency in the East Coast market reflect similar concerns on the West Coast.

“The ACCC has correctly highlighted the lack of an indicative price for gas and transparency around the level of reserves and resources as being key obstacles to a competitive market,” Mr Brown said.

“Producers have used the lack of detailed information in the market place to their own advantage.

“There is no reason why there should not be a standardised method for reporting reserves and resources and for this information to be shared openly with all market participants.

“We also strongly support the ACCC call for indicative prices of gas or a gas price index to better inform the market and promote a fairer bargaining environment which can only be good for competition.”

Mr Brown said the ACCC’s negative views on domestic reservation or national interest test policies were not reflected by real world experience in Western Australia.

“The ACCC speculates that reservation policies are ‘likely’ to have a detrimental impact on new LNG or domestic gas projects.

“This has not been the experience in Western Australia. With a domestic gas reservation policy in place since 2006 we have seen a wave of new investment in LNG and domestic projects including Devil Creek (\$1.1Billion), Macedon (US\$1.5Billion), Pluto (\$15billion), Gorgon (US\$54Billion) and Wheatstone (US\$30billion), in addition to major onshore discoveries.”

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